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How to choose stocks to daytrade: screening for high-percentage stocks

● Main Points:

A Common Mistake new traders make is to try and daytrade either:

- **The Top 10 Most Active Nasdaq stocks** (MSFT INTC CSCO WCOM etc) or
- **Cheap \$2 -\$10 stocks** because they only have a few thousand in capital

The stocks that you daytrade should have the following characteristics:

- Average **spreads** of less than .15
- At least 1.2 Million shares per day **average daily volume** (prefer 2M+ optimum)
- **Intraday average trading range of 5% or better** (eg a \$40 stock should have a \$2 intraday range (AMAT), a \$60 stock should have a 3-point range (EBAY) etc. Where you get into "low-percentage commission churn daytrading" is trading 300-500 shares of MSFT at 65 with a 1 point intraday range, for example.
- You can also profitably play IPOs, news plays, earnings plays, upgrades/ downgrades and others, but for now I want you to start thinking about 3-5 stocks that you want to trade regularly.
- **Price of around \$25 - \$60** with a 5% intraday range are my favorites, best sectors are software, semiconductors and biotechs (for year 2002) you can of course also play the net stocks (EBAY), and other sectors as you wish.
- Here's a new one **for Level 2 players: make sure your stock has one of the "four horsemen" as an ax (MSCO MLCO SBSH GSCO)** vs archips "chippies" ARCA INCA that move the stock. Learn to follow these axes in and out of trades.
- [See this page](#) for how to choose stocks for swing trading (2 days to several weeks); including chart patterns.
- **My Favorite Daytrading Stocks for Year 2002: (SOX):** AMAT BRCM NVDA GNSS MXIM NVLS QLGC XLNX (**GSO**): CHKP SEBL VRSN VRTS (**NBI**) AMGN HGSJ GENZ MLNM ; others: EBAY BRCD EMLX

Examples:

I like bigeasyinvestor.com (free software) for screening as well as the one at www.financialweb.com. The best scanner out there is [Tony Oz' Scanner](#) for Realtick.

for Realtick.

Here's a page on the subject from the registered "Daytrading Stocks Successfully" Screensaver:

"7 Deadly Mistakes to AVOID in Daytrading"

Mistake #1:

Don't trade the most active stocks only.

What to look for:

- Look for stocks that have between 300K-3M daily volume.
- MOST IMPORTANTLY: Look for stocks who have a good intraday trading range for their share price.

Example: The trading %ages are better for a \$22 stock like SPLS with a 1-pt range than a \$90 stock like MSFT with a 2-pt range.

Company Name	Symbol	Price	Vol	Change	Percent Change	Volume	Range
Intel	INTC	57.80	5.5M	7.0%	21,000,000	0.50	0.50
Microsoft	MSFT	88.14	3,674	0.0%	71,775,000	0.50	0.50
Dell	DELL	18.35	1,875	0.0%	11,707,000	0.50	0.50
IBM	IBM	170.00	3,000	0.0%	1,000,000	0.50	0.50
Oracle	ORCL	57.80	1,000	0.0%	2,000,000	0.50	0.50
Amazon	AMZN	18.00	0.0%	0.0%	11,000,000	0.50	0.50
Yahoo	YHOO	18.00	0.0%	0.0%	11,000,000	0.50	0.50
Google	GOOG	90.00	0.0%	0.0%	11,000,000	0.50	0.50
Facebook	FB	100.00	0.0%	0.0%	11,000,000	0.50	0.50
Twitter	TWTR	10.00	0.0%	0.0%	11,000,000	0.50	0.50
LinkedIn	LNKD	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Slack	SLCK	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Zoom	ZOOM	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Dropbox	DBX	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Box	BOX	10.00	0.0%	0.0%	11,000,000	0.50	0.50
OneDrive	ONE	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Google Drive	GOOG	90.00	0.0%	0.0%	11,000,000	0.50	0.50
Microsoft OneDrive	MSFT	88.14	3,674	0.0%	71,775,000	0.50	0.50
Amazon OneDrive	AMZN	18.35	1,875	0.0%	11,707,000	0.50	0.50
IBM OneDrive	IBM	170.00	3,000	0.0%	1,000,000	0.50	0.50
Oracle OneDrive	ORCL	57.80	1,000	0.0%	2,000,000	0.50	0.50
Yahoo OneDrive	YHOO	18.00	0.0%	0.0%	11,000,000	0.50	0.50
Google OneDrive	GOOG	90.00	0.0%	0.0%	11,000,000	0.50	0.50
Facebook OneDrive	FB	100.00	0.0%	0.0%	11,000,000	0.50	0.50
Twitter OneDrive	TWTR	10.00	0.0%	0.0%	11,000,000	0.50	0.50
LinkedIn OneDrive	LNKD	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Slack OneDrive	SLCK	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Zoom OneDrive	ZOOM	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Dropbox OneDrive	DBX	10.00	0.0%	0.0%	11,000,000	0.50	0.50
Box OneDrive	BOX	10.00	0.0%	0.0%	11,000,000	0.50	0.50
OneDrive OneDrive	ONE	10.00	0.0%	0.0%	11,000,000	0.50	0.50



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